# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2618
ANSWERED ON:17.03.2006
MICRO CREDIT .
Rao Shri Sambasiva Rayapati

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government is contemplating to introduce a micro credit regulatory regime soon;

(b) if so, the details thereof; and

(c) the manner in which it would help the poor borrowers to get loans from the nationalised banks ?

## Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Yes, Sir.

(b) & (c): Government has announced the introduction of a formal statutory framework for the promotion, development and regulation of the Micro Finance Institutions (MFIsj Sector so as to promote better linkage between MFIs and Banks. This will help in increasing the flow of bank credit to MFIs and more number of poor borrowers would be able to access loans through MFIs.